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PP DK7. 93-253

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

EX PARTE OR LATE FILED

June 2, 1994

Via Facsimile

Commissioner Susan Ness  
Federal Communications Commission  
1919 M Street, NW  
Washington, DC 20554

Re: Personal Communications Services

Dear Commissioner Ness:

I would like to express my appreciation for our meeting on Tuesday to discuss minorities and other Designated Entities participation in PCS.

It is my understanding based on several of those meetings that the FCC is now entertaining a proposal that in lieu of a Designated Entities set-aside it will create a separate frequency block for new entities with a maximum gross revenues of \$100,000,000.00. As we previously discussed, it is evident that the cost of acquiring these frequencies through the auction process, as well, as the cost of construction and operation will be immense. Thus, limiting the participation in the new entrant spectrum block to companies with only \$100,000,000.00 in revenue will likely lead to the self fulfilling prophecy that these entities will not be able to participate in acquiring and constructing these facilities. Further, these Designated Entities may not have the financial strength to maintain true ownership and independent control in potential joint ventures.

Under this limitation, MasTec, Inc., (formerly Burnup & Sims and Church & Tower) which is owned and controlled by Jorge Mas Canosa and his family, would not be eligible to participate in this block. MasTec, Inc. has annual revenues of \$178,126,000.00, according to the Burnup & Sims Notice of 1993 Annual and Special Meeting and Proxy Statement issued on

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February 10, 1994. It is significant to note that notwithstanding this revenue, MasTec, Inc. had only \$525,000.00 in net income for the same period. Thus, MasTec, Inc., one of the few minority controlled companies with the financial wherewithal to participate in PCS would be excluded from participation in this new block.

Accordingly, we would respectfully request that in the event the FCC entertains this proposal for a new competitive block, that the \$100,000,000.00 threshold be raised to \$200,000,000.00 to allow minority companies such as MasTec, Inc. to participate.

With respect to our discussion concerning staggered auctions to allow for calculation of an adequate bidding credit, I still remain skeptical. The amount of time for the FCC to calculate the fair market value, as compared to the auction price, and then calculate a sufficient bidding credit will be significant. Then adequate time must be given for Designated Entities to negotiate and "paper" joint ventures. The result will be a significant headstart for the licensees of the first and second blocks, which I believe could be fatal for the ultimate successful Designated Entity. Further, Wall Street may not be willing to find the last entry into the market.

Sincerely yours,



Matthew L. Leibowitz

MLL/mdir

Enclosure

cc: Gregory Vogt, Esquire



**Burnup & Sims Notice of 1993**

**Annual and Special Meeting  
and Proxy Statement**

**Burnup & Sims / CT Group**  
**Pro Forma Financial Statements**  
**Unaudited Condensed Consolidated Statement of Operations**  
**Twelve Months**  
(In Thousands except per share data )

	<u>CT Group</u>	<u>Burnup &amp; Sims</u>	<u>Pro Forma Adjustments</u>	<u>Combined Pro Forma</u>
<b>Revenues</b>	\$ <u>34,136</u>	\$ <u>143,990</u>	\$ _____	\$ <u>178,126</u>
<b>Costs and Expenses</b>				
Costs of Revenues	22,163	126,233		148,396
General and Administrative	2,937	17,075		20,012
Depreciation and Amortization	371	6,600	(207) (14)	6,764
Interest Expense	35	4,718	240 (15)	4,993
Other - Net	<u>350</u>	<u>(5,906)</u>	<u>2,681 (16)</u>	<u>(2,875)</u>
<b>Total Costs and Expenses</b>	<u>25,856</u>	<u>148,720</u>	<u>2,714</u>	<u>177,290</u>
<b>Income (Loss) Before Income Taxes</b>	8,280	(4,730)	(2,714)	836
<b>Provision (Credit) for Income Taxes</b>	<u>3,229 (17)</u>	<u>(1,738)</u>	<u>(1,180) (18)</u>	<u>311</u>
<b>Net Income (Loss)</b>	\$ <u>5,051</u>	\$ <u>(2,992)</u>	\$ <u>(1,534)</u>	\$ <u>525</u>
<b>Earnings (Loss) per Share</b>	\$ <u>4.592</u>	\$ <u>(0.34)</u>		\$ <u>0.03</u>
<b>Average Shares Outstanding (000's)</b>	<u>1</u>	<u>8,768</u>	<u>7,025 (19)</u>	<u>15,844</u>

See Notes to Pro Forma Financial Statements.

# HERSCHEL SHOSTECK ASSOCIATES

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VIA FAX

June 10, 1994

Mr. Greg Rosston, Economist  
Office Plans and Policy  
FCC  
1919 K Street, Room 822  
Washington, DC 20554

Dear Greg:

Thank you very much for your courtesy in briefing me on yesterday's action. It's a job well done. I can't imagine anything other than praise from all quarters.

Always feel free to call me or Jane Zweig in our office whenever we may be of assistance.

Steve Markendorff receives several of our studies. Should you ever have the need, I'm sure that he would be glad to share them.

Sincerely yours,  
HERSCHEL SHOSTECK ASSOCIATES, INC.

Herschel Shosteck, Ph.D.

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